



ESG Integration Framework

VIGA RE A/S

Adopted by the Board of Directors 26 December 2023.

1. Policy Purpose & Scope

The purpose of this ESG Integration Framework (the “Framework”) is to specify procedures and actions taken for integrating environmental, social and governance aspects within VIGA RE A/S.

The Framework applies to VIGA RE A/S (the “Fund”) as well as the organization of VIGA RE, including with respect to its Board of Directors, employees, and general investment activities.

2. Governance

The Board of Directors of VIGA RE is responsible for the annual approval and review of this Framework.

3. Sustainability in Remuneration

VIGA RE integrates the consideration of sustainability risks in its policies for remuneration.

Sustainability is included in periodic assessments of individual performance of board members and employees. This is done to align the commitment and engagement of individuals with the organizational strategy of being a responsible real estate investor that considers long-term sustainability impacts from its operations.

When evaluating variable remuneration, individual performance is reviewed against the following targets:

- Compliance with the policies on environment, social and governance as outlined in the ESG Policy.
- Advancement of climate-related activities to mitigate the climate impact of investments.
- Promotion of investments’ performance related to human rights, labour rights and anti-corruption.

Performance against these targets may result in both financial and non-financial consequences e.g., by influencing bonuses or pay raises/cuts as well as written or verbal recognition and career development opportunities.

The review of individual performance with respect to sustainability risks shall be carried out as part of the ordinary process for determining variable remuneration. VIGA RE will work to continuously maintain remuneration policies that support the sustainability objectives of the organization.

4. Energy Ratings

VIGA RE maintains valid energy performance certificates (“EPCs”) for all applicable portfolio assets covered by local legislation on the topic. In Denmark, this does not include assets legally recognised as protected properties.

VIGA RE is committed to raising the EPC of all portfolio assets to min. level C within the asset holding period.

5. Sustainability Risk Assessment

VIGA RE performs risk assessments of social and governance matters at least every three years.

Risk assessments are performed for VIGA RE and its asset operators by an independent third-party advisor. Such assessments include identification and quantification of processes, systems and/or scenarios that could potentially cause harm to the entity and investors of the Fund.

Assessments include the following social issues:

- Child labor
- Forced or compulsory labor
- Freedom of association
- Health and safety of employees
- Human rights
- Labor standards and working conditions

Assessments include the following governance issues:

- Bribery and corruption
- Cybersecurity
- Data protection and privacy
- Fiduciary duty
- Fraud
- Political contributions

Where any risks are identified as a result of these assessments, VIGA RE shall ensure that remediating actions are taken and monitored in order to mitigate such risks within an appropriate timeframe. This implementation shall be addressed at quarterly meetings held by the ESG Committee of the company.

6. Technical Building Assessment

VIGA RE performs technical building assessments at least every three years.

Technical building assessments are performed for all portfolio assets and are carried out by assigned individuals with technical expertise. The following procedures are established for conducting the assessments:

- **New acquisitions:** A full technical due diligence is performed for the asset prior to acquisition. This due diligence is undertaken by external consulting engineers appointed by VIGA RE.
- **Portfolio assets:** For portfolio assets, a technical building assessment is performed at least every three years. This may be within three years after conducting a technical due diligence or after performing a preceding technical building assessment. Such assessments of portfolio assets are performed by VIGA RE and shall be limited only to the subject scope defined below.

All technical building assessments shall include the following issues:

1. Assessment of available energy improvement opportunities of the asset. This includes initiatives such as products or systems using less energy to provide the same consumer benefits.
2. Assessment of available water improvement opportunities of the asset. This includes initiatives that promote conservative use of water resources through water-saving technologies to reduce consumption.
3. Assessment of available waste improvement opportunities of the asset. This includes initiatives that are associated with hazardous and non-hazardous waste generation, reuse, recycling, composting, recovery, incineration, landfill, and on-site storage.
4. Assessment of additional environmental risks of the asset. This includes risks related to current energy, water, and waste efficiency of the asset as well as risks related to contamination and natural hazards.

Technical building assessment shall be used to guide potential implementation of efficiency measures.

7. Sustainable Procurement

VIGA RE has defined ESG-specific requirements for its procurement processes to manage supply chain risks of the entity. These requirements apply to external parties including contractors and suppliers of the organisation.

Procurement requirements are implemented through VIGA RE's following supply chain engagement program:

1. It is ensured that procurement parties support the objectives of the ESG Policy of VIGA RE.
2. Where material ESG-risks are identified for the procurement party, it is planned whether and by which means VIGA RE should engage with the party with respect to the identified risks.

3. When deemed relevant, an action plan is defined for the engagement to assign tasks and responsibilities, estimate the time horizon, allocate resources and plan how to measure the engagement outcome.
4. The engagement plan is implemented by the assigned individual of VIGA RE.

It is emphasised that procurement requirements for ESG as a minimum entails the avoidance of child labour, respect of human rights, promotion of business ethics and adequate labour standards and working conditions.

The supply chain engagement program applies to procurements within both new and existing contracts.

VIGA RE shall address ongoing implementation of the sustainable procurement policy at quarterly meetings held by the ESG Committee of the company. To support this, monitoring shall also be based on regular sustainability assessments performed by an independent third-party advisor. These assessments consider the compliance of external suppliers and/or service providers with the ESG-specific requirements of VIGA RE.

8. Employees

8.1. Employee Training

VIGA RE provides all employees with professional training every year. Such training may be related to day-to-day operations, health and safety, specialised career development courses and/or similar topics.

Further, all employees are provided with annual training related to environment, social and governance issues.

8.2. Employee Satisfaction

VIGA RE has established a program to promote employee satisfaction and engagement which includes:

1. **Employee Satisfaction survey:** An annual employee satisfaction survey is internally conducted for all employees. The survey measures the overall and work-specific employee satisfaction and includes quantitative metrics such as:
 - Net Promoter Score ®
 - Overall employee satisfaction score including with respect to salary and benefits, communication between colleges, recognition, workload, and recommendations for improvement.
2. **Employee engagement:** Based on the annual survey, the management of VIGA RE shall develop a detailed action plan to enhance employee satisfaction including (1) specific tasks with allocation of responsibilities, (2) time horizon, (3) resource allocation and (4) measurable outcomes. Implementation of the action plan and engagement strategy shall be overseen by the management of VIGA RE.

8.3. Employee Health and Well-Being Program

VIGA RE has established a program to promote employee health and well-being which includes:

1. **Needs assessment:** To identify and understand the health and well-being needs of employees, an annual health and well-being survey is internally conducted for all employees. Focus areas of the survey include mental, physical, and social health and well-being. The purpose of the needs assessment is to evaluate the health and well-being of employees and identify any risks or opportunities for improvement.
2. **Goal setting:** Based on the results of the annual survey, the management of VIGA RE shall set goals to improve each focus area for health and well-being in the following year.
3. **Action:** To ensure progress on the defined goals, the management of VIGA RE is responsible for taking actions to improve performance within the health and well-being focus areas. Examples include:
 - Flexible working hours
 - Working from home arrangements
 - Healthy eating

- Indoor air quality
 - Physical and/or mental healthcare access
 - Social interaction and connection
4. **Monitoring:** The outcome of the health and well-being program is monitored by tracking the employee experiences and opinions around the program. Monitoring is facilitated by management through day-to-day dialogue with the employees as well as through annual surveying of the performance of the program.

8.4. Employee Inclusion

To promote diversity, equity, and inclusion of employees within the organization, VIGA RE has a zero-tolerance policy against discrimination e.g., based on gender, age, race, religion, disability and/or sexual orientation.

Where such behaviour is identified and/or reported to the entity, it is the responsibility of the Managing Partner that such cases are addressed and, where relevant, that implicated individuals may be appropriately sanctioned.

9. Tenants

9.1. Tenant Engagement

VIGA RE has established a tenant engagement program, which applies to all tenants of the company. The objective of the program is to facilitate effective communication between the tenants and landlord, and thereby allowing ESG-related dialogue to be undertaken between the parties. The program includes the following initiatives:

1. **Property Communication:** Tenants are provided with annual feedback on the energy/water consumption and waste generated by the property of their lease.
2. **Website Communication:** On the website of VIGA RE, disclosures are made available covering the ESG actions and performance undertaken by the company during the reporting year.
3. **Tenant ESG Guide:** Guidance on ESG-related issues is provided to tenants, including opportunities for action. This is formalized in VIGA RE's Tenant Fit-Out Guide on ESG as elaborated cf. section 10.3.

9.2. ESG-Specific Requirements in Lease Contracts

When offering accommodation to new tenants, VIGA RE includes ESG-specific requirements as an integrated part of all lease contracts. Specifically, these requirements relate to the following topics:

- Environmental initiatives
- Upgrade works
- Sustainable cleaning
- Sustainable utilities
- Information sharing
- Energy performance rating

It is required that all tenants adhere to the defined requirements throughout their lease term.

9.3. ESG Fit-Out and Refurbishment

VIGA RE has defined its Tenant Fit-Out Guide on ESG which stipulates criteria for ESG aspects related to potential fit-outs undertaken by tenants during their lease term. The guide applies to all tenants of VIGA RE, and it is included as part of the materials provided to new tenants when moving into properties owned by VIGA RE. Specifically, the minimum standards of the fit-out guide relate to the following topics:

- Lighting
- Painting
- Fittings
- Recycling

- Utility use

It is required that all tenants adhere to the defined standards throughout their lease term.

10. Community

10.1. Community Engagement

VIGA RE aims to support communities surrounding the properties and operations of the company. For this purpose, a community engagement strategy has been developed to integrate community engagement into the company's overall strategy. The program includes the following initiatives:

1. **Supporting community groups:** VIGA RE provides financing to support local community groups in the locations of VIGA RE's activities. Donations are made specifically to address and increase the health and well-being of local citizens i.e., by sponsoring community groups focused on sports and active lifestyle.
2. **Disaster cooperation:** VIGA RE collaborates with local authorities to provide housing for individuals in crisis/disaster situations, where arranging accommodation is a social responsibility of the municipality.

10.2. Monitoring Community Impact

To examine the impact of VIGA RE's properties on the surrounding community, the following is monitored:

1. **Housing affordability:** It is the policy of VIGA RE that owned properties include housing units affordable to individuals across income groups, including housing affordable to the low-income section of society.
2. **Walkability:** It is the policy of VIGA RE that owned properties are within max. 20 minutes commute from the local city centre. This is implemented to allow tenants reasonable access to community amenities and thereby support the development of the local community.

11. Stakeholder Grievance

VIGA RE has established a grievance process that enables stakeholders to flag issues related to the organization and seek remedy. The procedure applies to both internal and external stakeholders of VIGA RE including, but not limited to employees, contractors, suppliers, tenants, local communities, and public entities.

It is noted that reported grievances are internally handled by VIGA RE. However, it is acknowledged that grievances may be submitted anonymously e.g., through a non-identifiable e-mail address. VIGA RE is committed to duly investigate all reported grievances regardless of the submission format.

Grievance Handling

1. Grievance is received, internally logged and confidentially reviewed by the Technical Director.
2. Where it is assessed that the reported grievance does not relate to negative impacts caused by the operations of VIGA RE, the grievance is dismissed, and the stakeholder will be notified.
3. After the initial review, an investigation of the grievance is undertaken by the Technical Director in collaboration with the Managing Partner. VIGA RE will inform the reporting stakeholder on an estimated timeline for resolving the case. Where possible, the investigation shall be dialogue-based with the reporting stakeholder, and actions shall be undertaken to retrieve testimony on the grievance from all implicated parties.
4. Where remediating actions are deemed necessary, the Technical Director is responsible for initiating and monitoring such actions. Results of the grievance are finally communicated to the submitting stakeholder.

It is noted that the legal adviser of VIGA RE may be contacted to assist resolving legal grievances if necessary.